

# The Business of Tourism

*by Carl Wilgus*

Shortly after taking my position at the then Department of Commerce some eighteen years ago I often found myself quoted referring to the tourism industry as the “Rodney Dangerfield of economic development.” We all remember Rodney Dangerfield, the comedian, who never got any respect. Well, the times have certainly changed for the tourism industry in those eighteen years, as it has grown to become a major contributor to our state’s economic wellbeing.



This is particularly true when one considers that recent reports from the University of Idaho and the Travel Industry Association of American which show that tourism contributes in excess of \$2.1 billion annually to the state’s economy. That is 6.2% of the state’s gross domestic product, and as our third largest industry exceeded only by manufacturing and agriculture, tourism also provides some 42,000 Idahoans their livelihood. As a result of tourism, nearly \$200 million in the form of state and local tax revenues are generated from the nearly 22 million visitors who travel to or through the state annually.

Tourism is an industry that currently is operating in each and every community in the state. Often times, it is a hidden or silent business that isn’t seen as a major contributor to the local economy, but when looking at how the visitor spends their money one quickly realizes that tourism spending flows throughout the community. Many people falsely believe that the only businesses that benefit from tourism are those in the lodging industry. When in reality, nothing could be further from the truth. In Idaho only 16% of the visitor’s expenditure goes toward lodging, while the majority is spent on transportation, retail, food and beverage. Tourism is and can be a very powerful economic development engine for any community that wants to embrace it.

## Idaho Visitor Profile

The more we know about the current and potential visitor to Idaho the more effective we can be at developing the appropriate creative messages and placement of our advertising to maximize potential visitation. Critical to the equation of inducing visitation to a destination like Idaho is understanding the primary purpose for visiting. In Idaho much like the nation in general, 47% of our visitors include seeing “friends and family” as the primary reason for travel. Visiting attractions and natural areas were rated by 32% of Idaho

visitors as the primary reason for traveling to Idaho, while 16% said recreation was their primary reason for coming here. As a result of this it's easy to see why when it comes to our messaging we focus on Idaho's natural beauty and outdoor recreation opportunities.

It is likewise important to know where our visitors come from to ensure that our advertising reaches them. Not surprisingly most of our visitors come from our surrounding states with Washingtonians representing 28% of our non-resident visitors. What might be surprising is that 9% of Idaho visitors are foreign, with half of these being from Canada and the rest primarily originating from Europe (United Kingdom, Germany, Italy, and France).

Knowing when these leisure travelers venture to Idaho also helps to answer some important marketing questions. For a northern state Idaho does very well when it comes to visitation by season. The majority of visitation takes place during the summer with a 36% rate, while the winter and spring each see 24%, and the fall generates 20% of our visitations. This fairly even distribution by season makes it possible for most tourism businesses to operate year round.

Approximately 74% of visitors get about in the state via auto and recreational vehicle. Second to this is air travel with about 18% of travelers flying into Idaho. This is somewhat less than our surrounding states that contain hub airports. However, to our advantage is the fact that our visitors are more evenly distributed throughout the state rather than congesting around major metropolitan areas, which is sometimes the case with Seattle, Portland, and Salt Lake City.



*About 74% of Idaho's visitors get around the state in an automobile or recreational vehicle*

## Target Markets

Based on this information along with additional consumer research we have concluded that the most likely visitors fall into several general categories; families, casual explorers, and adventurers.

While these activity groups can be found throughout the country we focus our efforts primarily in the eleven Western states due in part to fiscal constraints. These same activity subgroups can be found in other areas of the country but the lack of financial resources keep us from sufficiently penetrating these markets.

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## Selling Idaho

When it comes to promoting the state, the media of choice has been magazine print. Magazines allow us the ability to pick images that show off the natural scenery and limitless outdoor recreation in a publication that targets specific interest groups.

Because of the variety of attractions, outdoor recreation and affordability, Idaho rates highly for family travel. Most of these family vacationers reside in one of our surrounding states and they seek the opportunity to reconnect with one another.

The casual explorers can also be affectionately referred to as “aging baby boomers.” This particular group looks to enjoy many forms of soft adventure such as white water rafting, alpine skiing or mountain biking. These people also look to participate in arts/cultural events, and look forward to enjoying a good meal and a comfortable bed at the end of the day. They see Idaho as a destination to rest, relax, and recharge.

On the other hand the adventurer is looking for the next adrenalin rush.

They are the young upwardly mobile types residing in the major metropolitan areas of the West, and looking for the next challenge.

All of our advertising messages carry with them a call-to-action to either place a toll free call to request an Idaho Travel Guide, the official state publication containing information on things to see and do around the state, or to access the state tourism website [www.visitidaho.org](http://www.visitidaho.org).

This website contains a complete list of all hotels/motels, campgrounds, guest ranches, bed and breakfasts throughout the state. It is set up as a searchable database so attractions, festival and events are only a click away. Reservations can be made, travel guides can be ordered, and registration for our



*Impassable Canyon on  
the Middle Fork of the  
Salmon River*

bimonthly newsletters can all be accessed on the website. In 2004 we saw more than 3.4 million user sessions on our website,

Beyond the print advertising efforts to drive visitation to the state tourism website we purchase key words including; skiing, fishing, camping, Lewis and Clark etc. When individuals use search engines like Goggle, Yahoo, or Overture our website would more likely appear at or near the top of the list.

## **A Year in Review**

After three very hard and difficult years following the events of September 11, 2001 the tourism industry is finally on the road to recovery. The economic upturn we have been seeing obviously has enhanced tourism as well. In 2004 forest fires were kept to a minimum and water based recreation experienced a good year, which in turn contributes to an enhanced year for tourism.

The current travel trends also speak favorably to Idaho as a destination for leisure travel. As a partial result of increased gasoline prices travelers are staying closer to home. They are also looking to visit rural areas, and opting to travel by automobile or recreational vehicle over airlines. Also the value of foreign currency against the dollar has created an increased incentive for visitation from Canada and Europe, making foreign visitors more likely to visit us.

## **Challenging Future**

Travel and tourism in Idaho faces a bright future but concerns do exist. Since so much of Idaho's recreational activities take place on federal public lands decisions made relative to access and types of use on these lands will have a dramatic impact on the future of Idaho's visitor industry.

While access to these public lands is important the investment in facilities and visitor services is also critical. Expansion of the Boise Airport and the opening of Tamarack Resort are two excellent examples of the kind of investment needed. More needs to be done at various locations throughout the state. This, in turn will result in the expansion of existing tourism businesses and the creation of new ones.

Lastly, with yet one more information distribution channel available via the internet, increasing niche markets, and more competition from neighboring states, our challenge will be to find additional tourism advertising dollars to meet the challenges presented by our competition.

We have all probably hear the old saying "build a better mouse trap and world will beat a pathway to your door." I didn't really believe it then, and I for sure don't believe it now. Success in travel and tourism these days and in the future is not so much about building better "mouse traps" as it about building better "pathways."

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*Carl Wilgus is Idaho's State Tourism Director. His office is in the Idaho Department of Commerce and Labor. Carl was honored in 2005 as the State Tourism Director of the Year by the Travel Industry Association of America.*

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